

Subject Hospital rate rebasing

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## Overview

This bill modifies the procedures that govern MA fee-for-service inpatient hospital rate rebasing, in part by changing the time period over which changes in costs are measured and setting payment for critical access hospitals at 100 percent of base year costs.

## Summary

Section	Description
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1	<b>Hospital payment rates.</b>
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Amends § 256.969, subd. 2b. Modifies the procedures that govern inpatient hospital rate rebasing, for discharges occurring on or after July 1, 2023. The section:

- requires rebasing to take into account changes in costs between the base year or years and the rate year (current law takes into account changes between the existing base year or years and the next base year or years); and
- requires inpatient rates for critical access hospitals, for discharges occurring on or after July 1, 2023, to be equal to 100 percent of base year costs inflated to the rate year using the hospital cost index (under current law the percentage of base year costs for critical access hospitals is tiered and ranges between 85 and 100 percent).

The section also incorporates as new language requirements in the current rebasing law, including those related to the choice of base years in cases of a pandemic or health emergency, or when claims volume for a year falls below the threshold required to ensure a statistically valid sample of claims.



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